

86, May 19

# STATE REGISTER

STATE OF MINNESOTA

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# STATE REGISTER

## Volume 10

### Printing Schedule

#### Submission Deadlines

Vol. 10 Issue Number	*Submission deadline for Executive Orders, Adopted Rules and **Proposed Rules	*Submission deadline for State Contract Notices and other **Official Notices	Issue Date
47	Monday 5 May	Monday 12 May	Monday 19 May
48	Monday 12 May	Monday 19 May	Monday 26 May
49	Monday 19 May	Friday 23 May	Monday 2 June
50	Friday 23 May	Monday 2 June	Monday 9 June

\*Deadline extensions may be possible at the editor's discretion; however, none will be made beyond the second Wednesday (12 calendar days) preceding the issue date for rules, proposed rules and executive orders, or beyond the Wednesday (5 calendar days) preceding the issue date for official notices. Requests for deadline extensions should be made only in valid emergency situations.

\*\*Notices of public hearings on proposed rules and notices of intent to adopt rules without a public hearing are published in the Proposed Rules section and must be submitted two weeks prior to the issue date.

Instructions for submission of documents may be obtained from the Office of the State Register, 504 Rice Street, St. Paul, Minnesota 55103, (612) 296-4273.

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State agencies must publish notice of their rulemaking action in the *State Register*. If an agency seeks outside opinion before promulgating new rules or rule amendments, it must publish a **NOTICE OF INTENT TO SOLICIT OUTSIDE OPINION** also.

**The PROPOSED RULES section contains:**

- Calendar of public hearings on proposed rules.
- Proposed new rules (including notice of hearing and/or notice of intent to adopt rules without a hearing).
- Proposed amendments to rules already in existence in the Minnesota Rules.
- Proposed emergency rules.
- Withdrawal of proposed rules (option; not required).

**The ADOPTED RULES section contains:**

- Notice of adoption of new rules and rule amendments adopted without change from the previously published proposed rules. (Unchanged adopted rules are not republished in full in the *State Register* unless an agency requests this.)
- Adopted amendments to new rules or rule amendments (adopted changes from the previously published proposed rules).
- Notice of adoption of emergency rules.
- Adopted amendments to emergency rules (changes made since the proposed version was published).
- Extensions of emergency rules beyond their original effective date.

**The OFFICIAL NOTICES section includes (but is not limited to):**

- Notice of intent to solicit outside opinion before promulgating rules.
- Additional hearings on proposed rules not listed in original proposed rules calendar.

ALL ADOPTED RULES and ADOPTED AMENDMENTS TO EXISTING RULES published in the *State Register* and filed with the Secretary of State before April 8, 1985 are published in the *Minnesota Rules 1985*. ADOPTED RULES and ADOPTED AMENDMENTS TO EXISTING RULES filed after April 8, 1985 will be included in a supplement scheduled for publication in Spring, 1986. Proposed and adopted EMERGENCY (formerly called TEMPORARY) RULES appear in the *State Register* but are generally not published in the *Minnesota Rules* due to the short-term nature of their legal effectiveness. Those that are long-term may be published.

The *State Register* publishes partial and cumulative listings of rule in the MINNESOTA RULES AMENDMENTS AND ADDITIONS list on the following schedule:

Issues 1-13, inclusive	Issue 39, cumulative for 1-39
Issues 14-25, inclusive	Issues 40-51, inclusive
Issue 26, cumulative for 1-26	Issue 52, cumulative for 1-52
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The listings are arranged in the same order as the table of contents of the *Minnesota Rules 1985*.

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# EXECUTIVE ORDERS

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## Executive Order No. 86-2

### Providing for the Appointment of Public Members of the Minnesota Commission on the Bicentennial of the United States Constitution

I, RUDY PERPICH, GOVERNOR OF THE STATE OF MINNESOTA, by virtue of the authority vested in me by the Constitution and the applicable statutes, do hereby issue this Executive Order:

Whereas, the two-hundredth anniversary of the United States Constitution will be celebrated throughout the United States during 1987; and

Whereas, the Minnesota Commission on the Bicentennial of the United States Constitution was duly established by order of the Chief Justice of the Supreme Court; and

WHEREAS, the honorary and active chairs of the Commission and fifteen members of the Commission have been appointed by order of the Chief Justice; and

WHEREAS, the Commission will coordinate and encourage bicentennial celebration activities in the State of Minnesota, cooperate and work closely with the national Bicentennial Commission, plan and direct the official Minnesota Commemoration of the Constitution, and devote special efforts to education programs designed to enhance citizens' understanding of the Constitution; and

WHEREAS, it is important to encourage broad public participation in the Bicentennial Commission through an open appointment process so that other interested citizens have an opportunity to participate in the commemoration;

NOW, THEREFORE, I hereby order that:

The establishment of an open appointment procedure to designate an additional fifteen members of the Minnesota Commission on the Bicentennial of the U.S. Constitution.

Pursuant to Minnesota Statutes, Section 4.035, this Order shall be effective fifteen (15) days after publication in the *State Register* and filing with the Secretary of State and shall remain in effect until rescinded by proper authority or it expires in accordance with Minnesota Statutes, Section 4.035, Subdivision 3.

IN TESTIMONY WHEREOF I have set my hand this 5th day of May, 1986.



# PROPOSED RULES

Pursuant to Minn. Stat. of 1982, §§ 14.22, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless 25 or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules; and
4. that the rule may be modified if the modifications are supported by the data and views submitted.

If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

Pursuant to Minn. Stat. §§ 14.29 and 14.30, agencies may propose emergency rules under certain circumstances. Proposed emergency rules are published in the *State Register* and, for at least 25 days thereafter, interested persons may submit data and views in writing to the proposing agency.

## Department of Commerce

### Proposed Rules Relating to Universal Life Insurance

#### Notice of Withdrawal

Notice is hereby given that the Department of Commerce withdraws the rules pertaining to Universal Life Insurance that were previously published in the *State Register* on December 9, 1985 at pages 1290-1297 (10 S.R. 1290-1297). A new version of the Universal Life Rules and a Notice of Intent to Adopt Rules Without a Public Hearing are being published in the same issue as this notice.

Michael A. Hatch  
Commissioner of Commerce

#### Notice of Intent to Adopt Rules without a Public Hearing

Notice is hereby given that the Department of Commerce proposes to adopt the above-entitled rules without a public hearing. The Commissioner of Commerce has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes, Section 14.21.

Persons interested in these rules shall have 30 days to submit comments in support of or in opposition to the rules. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. The proposed rules may be modified if the modifications are supported by the data and views submitted to the Department and does not result in a substantial change.

No public hearing will be held unless twenty-five (25) or more persons make a written request for a hearing within the 30 day comment period. In the event a public hearing is required, the agency will proceed according to the provisions of Minnesota Statutes, Section 14.14, subd. 1.

Persons who wish to submit comments or a written request for a public hearing should submit them to Richard G. Gomsrud, Department Counsel, Department of Commerce, 500 Metro Square Building, St. Paul, MN 55101 telephone (612) 296-5689. Any person requesting a public hearing should state her or his name and address and is encouraged to identify the portion of the proposed rule addressed, the reason for the request and any change proposed and send this information to the above address.

Authority for the adoption of these rules is contained in Minnesota Statutes, Sections 45.023 and 61A.03. Additionally a Statement of Need and Reasonableness of each provision and identifying the data and information relied upon to support the proposed rules has been prepared and is available upon request.

Pursuant to Minnesota Laws 1983, chapter 188 codified as Minnesota Statute Section 14.115, subdivision 2, the impact on small business has been considered in the promulgation of the rules. Anyone wishing to present evidence or argument as to the rules' effect on small business may do so. The Department's position regarding the impact of the rules on small business is set forth in the Statement of Need and Reasonableness.

**KEY: PROPOSED RULES SECTION** — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

# PROPOSED RULES

Upon adoption of the final rules without a public hearing, the proposed rules, this Notice, the Statement of Need and Reasonableness, all written comments received, and the final Rules as Adopted will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, should submit a written statement of such request to Richard G. Gomsrud, Department Counsel, Department of Commerce, 500 Metro Square Bldg., St. Paul, MN 55101.

A copy of the proposed rules is attached to this Notice. Copies of this Notice and proposed rules are available and may be obtained by contacting Richard G. Gomsrud at the above address.

Michael A. Hatch  
Commissioner of Commerce

## Rules as Proposed (all new material)

### 2747.0005 DEFINITIONS.

Subpart 1. **Definitions.** As used in this chapter, the following terms have the meanings given them.

Subp. 2. **Cash surrender value.** "Cash surrender value" means the net cash surrender value plus any amounts outstanding as policy loans.

Subp. 3. **Commissioner.** "Commissioner" means the commissioner of the Department of Commerce of Minnesota.

Subp. 4. **Fixed premium universal life insurance policy.** "Fixed premium universal life insurance policy" means a universal life insurance policy other than a flexible premium universal life insurance policy.

Subp. 5. **Flexible premium universal life insurance policy.** "Flexible premium universal life insurance policy" means a universal life insurance policy that permits the policyowner to vary, independently of each other, the amount or timing of one or more premium payments or the amount of insurance.

Subp. 6. **Interest-indexed universal life insurance policy.** "Interest-indexed universal life insurance policy" means any universal life insurance policy where the interest credits are linked to an external referent.

Subp. 7. **Net cash surrender value.** "Net cash surrender value" means the maximum amount payable to the policyowner upon surrender.

Subp. 8. **Policy value.** "Policy value" means the amount to which separately identified interest credits and mortality, expense, or other charges are made under the universal life insurance policy.

Subp. 9. **Universal life insurance policy.** "Universal life insurance policy" means any individual life insurance policy under the provisions of which separately identified interest credits (other than in connection with dividend accumulations, premium deposit funds, or other supplementary accounts) and mortality and expense charges are made to the policy. A universal life insurance policy may provide for other credits and charges, such as charges for the cost of benefits provided by rider.

### 2747.0010 SCOPE.

This chapter encompasses individual universal life insurance policies except variable life insurance policies defined under part 2750.0100, subpart 14.

### 2747.0015 VALUATION.

Subpart 1. **Requirements.** The minimum valuation standard for universal life insurance policies shall be the commissioner's reserve valuation method, as described in this part for these policies, and the tables and interest rates specified in this part. The terminal reserve for the basic policy and any benefits or riders for which premiums are not paid separately as of any policy anniversary shall be equal to the net level premium reserves less (C) and less (D), where:

Reserves by the net level premium method shall be equal to  $((A)-(B))r$  where (A), (B), and r are as defined below:

(A) is the present value of all future guaranteed benefits at the date of valuation.

(B) is the quantity

$$\frac{PVFB}{\ddot{a}_x} \ddot{a}_{x+t},$$

where PVFB is the present value of all benefits guaranteed at issue assuming future guaranteed maturity premiums are paid by the policyowner and taking into account all guarantees contained in the policy or declared by the insurer.

$\ddot{a}_x$  and  $\ddot{a}_{x+t}$  are present values of an annuity of one per year payable on policy anniversaries beginning at ages (x) and (x) + (t),

respectively, and continuing until the highest attained age at which a premium may be paid under the policy. (x) is defined as the issue age and (t) is defined as the duration of the policy.

The guaranteed maturity premium for flexible premium universal life insurance policies shall be that level gross premium, paid at issue and periodically thereafter over the period during which premiums are allowed to be paid, which will mature the policy on the latest maturity date, if any, permitted under the policy (otherwise at the highest age in the valuation mortality table), for an amount that is in accordance with the policy structure.<sup>1</sup> The guaranteed maturity premium is calculated at issue based on all policy guarantees at issue (excluding guarantees linked to an external referent). The guaranteed maturity premium for fixed premium universal life insurance policies shall be the premium defined in the policy which at issue provides the minimum policy guarantees.<sup>2</sup>

r is equal to one, unless the policy is a flexible premium policy and the policy value is less than the guaranteed maturity fund, in which case r is the ratio of the policy value to the guaranteed maturity fund.

The guaranteed maturity fund at any duration is that amount which, together with future guaranteed maturity premiums, will mature the policy based on all policy guarantees at issue.

(C) is the quantity

$$((a) - (b)) \frac{\ddot{a}_x + t}{\ddot{a}_x} r,$$

where (a) - (b) is as described in Minnesota Statutes, section 61A.25, for the plan of insurance defined at issue by the guaranteed maturity premiums and all guarantees contained in the policy or declared by the insurer.

$\ddot{a}_x + t$   $\ddot{a}_x$  are defined in (B) above.

(D) is the sum of any additional quantities analogous to (C) which arise because of structural changes<sup>3</sup> in the policy, with each quantity being determined on a basis consistent with that of (C) using the maturity date in effect at the time of the change.

The guaranteed maturity premium, the guaranteed maturity fund, and (B) above shall be recalculated to reflect any structural changes in the policy. This recalculation shall be done in a manner consistent with the descriptions above.

Future guaranteed benefits are determined by: (1) projecting the greater of the guaranteed maturity fund and the policy value, taking into account future guaranteed maturity premiums, if any, and using all guarantees of interest, mortality, expense deductions, and so forth, contained in the policy or declared by the insurer; and (2) taking into account any benefits guaranteed in the policy or by declaration that do not depend on the policy value.

Present values shall be determined using (i) an interest rate (or rates) specified by Minnesota Statutes, section 61A.25, for policies issued in the same year; (ii) the mortality rates specified by Minnesota Statutes, section 61A.25, for policies issued in the same year or contained in such other table as may be approved by the commissioner for this purpose; and (iii) any other tables needed to value supplementary benefits provided by a rider that is being valued together with the policy.

<sup>1</sup>The maturity amount shall be the initial death benefit where the death benefit is level over the lifetime of the policy except for the existence of a minimum-death-benefit corridor, or, shall be the specified amount where the death benefit equals a specified amount plus the policy value or cash surrender value except for the existence of a minimum-death-benefit corridor.

<sup>2</sup>The guaranteed maturity premium for both flexible and fixed premium policies shall be adjusted for death benefit corridors provided by the policy. The guaranteed maturity premium may be less than the premium necessary to pay all charges. This can especially happen in the first year for policies with large first year expense charges.

<sup>3</sup>Structural changes are those changes that are separate from the automatic workings of the policy. The changes usually would be initiated by the policyowner and include changes in the guaranteed benefits, changes in the latest maturity date, or changes in allowable premium payment period.

Subp. 2. **Alternative minimum reserves.** If, in any policy year, the guaranteed maturity premium on any universal life insurance policy is less than the valuation net premium for the policy, calculated by the valuation method actually used in calculating the reserve thereon but using the minimum valuation standards of mortality and rate of interest, the minimum reserve required for the contract shall be the greater of item A or B.

A. The reserve calculated according to the method, the mortality table, and the rate of interest actually used.

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## PROPOSED RULES

B. The reserve calculated according to the method actually used but using the minimum valuation standards of mortality and rate of interest and replacing the valuation net premium by the guaranteed maturity premium in each policy year for which the valuation net premium exceeds the guaranteed maturity premium.

For universal life insurance reserves on a net level premium basis, the valuation net premium is

$$\frac{\text{PVFB}}{\ddot{a}_x}$$

and for reserves on a commissioner's reserve valuation method, the valuation net premium is

$$\frac{\text{PVFB}}{\ddot{a}_x} + \frac{(a) - (b)}{\ddot{a}_x}$$

### 2747.0020 NONFORFEITURE.

Subpart 1. **Minimum cash surrender values for flexible premium universal life insurance policies.** Minimum cash surrender values for flexible premium universal life insurance policies shall be determined separately for the basic policy and any benefits and riders for which premiums are paid separately. The following requirements pertain to a basic policy and any benefits and riders for which premiums are not paid separately.

The minimum cash surrender value (before adjustment for indebtedness and dividend credits) available on a date as of which interest is credited to the policy shall be equal to the accumulation to that date of the premiums paid minus the accumulations to that date of: (i) the benefit charges, (ii) the averaged administrative expense charges for the first policy year and any insurance-increase years, (iii) actual administrative expense charges for other years, (iv) initial and additional acquisition expense charges not exceeding the initial or additional expense allowances, respectively, (v) any service charges actually made (excluding charges for cash surrender or election of a paid-up nonforfeiture benefit) and (vi) any deductions made for partial withdrawals; all accumulations being at the actual rate or rates of interest at which interest credits have been made unconditionally to the policy (or have been made conditionally, but for which the conditions have since been met), and minus any unamortized unused initial and additional expense allowances.

Interest on the premiums and on charges referred to in items (i) to (iv) above shall be accumulated from and to these dates as are consistent with how interest is credited in determining the policy value.

The benefit charges shall include the charges made for mortality and any charges made for riders or supplementary benefits for which premiums are not paid separately. If benefit charges are substantially level by duration and develop low or no cash values, then the commissioner may require higher cash values unless the insurer provides adequate justification that the cash values are appropriate in relation to the policy's other characteristics.<sup>4</sup>

The administrative expense charges shall include charges per premium payment, charges per dollar of premium paid, periodic charges per thousand dollars of insurance, periodic per policy charges, and any other charges permitted by the policy to be imposed without regard to the policyowner's request for services.

The averaged administrative expense charges for any year shall be those that would have been imposed in that year if the charge rate or rates for each transaction or period within the year had been equal to the arithmetic average of the corresponding charge rates that the policy states will be imposed in policy years two through 20 in determining the policy value.

The initial acquisition expense charges shall be the excess of the expense charges, other than service charges, actually made in the first policy year over the averaged administrative expense charges for that year. Additional acquisition expense charges shall be the excess of the expense charges, other than service charges, actually made in an insurance-increase year over the averaged administrative expense charges for that year. An insurance-increase year shall be the year beginning on the date of increase in the amount of insurance by policyowner request (or by the terms of the policy).

Service charges shall include charges permitted by the policy to be imposed as the result of a policyowner's request for a service by the insurer (such as the furnishing of future benefit illustrations) or of special transactions.

The initial expense allowance shall be the allowance provided by Minnesota Statutes, section 61A.25, for a fixed premium, fixed benefit endowment policy with a face amount equal to the initial face amount of the flexible premium universal life insurance policy, with level premiums paid annually until the highest attained age at which a premium may be paid under the flexible premium universal life insurance policy, and maturing on the latest maturity date permitted under the policy, if any, otherwise at the highest age in the valuation mortality table. The unused initial expense allowance shall be the excess, if any, of the initial expense allowance over the initial acquisition expense charges as defined above.

If the amount of insurance is subsequently increased upon request of the policyowner (or by the terms of the policy), an additional

expense allowance and an unused additional expense allowance shall be determined on a basis consistent with the above and with Minnesota Statutes, section 61A.25, using the face amount and the latest maturity date permitted at that time under the policy.

The unamortized unused initial expense allowance during the policy year beginning on the policy anniversary at age  $(x) + (t)$  (where  $x$  is the issue age) shall be the unused initial expense allowance multiplied by:

$$\frac{\ddot{a}_{x+t}}{\ddot{a}_x}$$

where  $a_{x+t}$  and  $a_x$  are present values of an annuity of one per year payable on policy anniversaries beginning at ages  $x + t$  and  $x$ , respectively, and continuing until the highest attained age at which a premium may be paid under the policy, both on the mortality and interest bases guaranteed in the policy. An unamortized unused additional expense allowance shall be the unused additional expense allowance multiplied by a similar ratio of annuities, with  $\ddot{a}_x$  replaced by an annuity beginning on the date as of which the additional expense allowance was determined.

<sup>4</sup>Because this product is still developing, it is recommended that benefit charges not be restricted and regulatory treatment of cash values be limited to that contained in this section for several reasons. First, further restrictions would limit the development of the product. Second, added restrictions would discourage insurers from reducing nonguaranteed current benefit charges because the reductions could require reduced future benefit charges that could be financially unsound for the insurer. Third, market pressures will encourage insurers to limit benefit charges.

**Subp. 2. Minimum cash surrender values for fixed premium universal life insurance policies.** For fixed premium universal life insurance policies, the minimum cash surrender values shall be determined separately for the basic policy and any benefits and riders for which premiums are paid separately. The following requirements pertain to a basic policy and any benefits and riders for which premiums are not paid separately.

The minimum cash surrender value (before adjustment for indebtedness and dividend credits) available on a date as of which interest is credited to the policy shall be equal to  $((A) - (B) - (C) - (D))$ , where:

(A) is the present value of all future guaranteed benefits.

(B) is the present value of future adjusted premiums. The adjusted premiums are calculated as described in Minnesota Statutes, section 61A.25. If Minnesota Statutes, section 61A.25, is applicable, the nonforfeiture net level premium is equal to the quantity

$$\frac{PVFB}{\ddot{a}_x}$$

where PVFB is the present value of all benefits guaranteed at issue assuming future premiums are paid by the policyowner and all guarantees contained in the policy or declared by the insurer.

$\ddot{a}_x$  is the present value of an annuity of one per year payable on policy anniversaries beginning at age  $x$  and continuing until the highest attained age at which a premium may be paid under the policy.

(C) is the present value of any quantities analogous to the nonforfeiture net level premium which arise because of guarantees declared by the insurer after the issue date of the policy. <sup>1</sup> If  $020x$  shall be replaced by an annuity beginning on the date as of which the declaration became effective and payable until the end of the period covered by the declaration.

(D) is the sum of any quantities analogous to (B) which arise because of structural changes<sup>3</sup> in the policy.

Future guaranteed benefits are determined by (1) projecting the policy value, taking into account future premiums, if any, and using all guarantees of interest, mortality, expense deductions, etc., contained in the policy or declared by the insurer; and (2) taking into account any benefits guaranteed in the policy or by declaration that do not depend on the policy value.

Present values shall be determined using: (i) an interest rate (or rates) specified by Minnesota Statutes, section 61A.25, for policies issued in the same year and (ii) the mortality rates specified by Minnesota Statutes, section 61A.25, for policies issued in the same year or contained in such other table as may be approved by the commissioner for this purpose.

<sup>3</sup>Structural changes are those changes that are separate from the automatic workings of the policy. The changes usually would be initiated by the policyowner and include changes in the guaranteed benefits, changes in the latest maturity date, or changes in allowable premium payment period.

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## PROPOSED RULES

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Subp. 3. **Minimum paid-up nonforfeiture benefits.** If a universal life insurance policy provides for the optional election of a paid-up nonforfeiture benefit, it shall be such that its present value shall be at least equal to the cash surrender value provided for by the policy on the effective date of the election. The present value shall be based on mortality and interest standards at least as favorable to the policyowner as: (1) in the case of a flexible premium universal life insurance policy, the mortality and interest basis guaranteed in the policy for determining the policy value, or (2) in the case of a fixed premium policy the mortality and interest standards permitted for paid-up nonforfeiture benefits by Minnesota Statutes, section 61A.25. In lieu of the paid-up nonforfeiture benefit, the insurer may substitute, upon proper request not later than 60 days after the due date of the premium in default, an actuarially equivalent alternative paid-up nonforfeiture benefit that provides a greater amount or longer period of death benefits, or, if applicable, a greater amount or earlier payment of endowment benefits.

### 2747.0025 MANDATORY POLICY PROVISIONS.

Subpart 1. **Periodic disclosure to policyowner.** The policy shall provide that the policyowner will be sent, without charge, at least annually, a report that will serve to keep the policyowner advised as to the status of the policy. The end of the current report period must be not more than three months previous to the date of the mailing of the report. Specific requirements of this report are detailed in part 2747.0035.

Subp. 2. **Illustrative reports.** The policy shall provide for an illustrative report that will be sent to the policyowner upon request. Minimum requirements of the report are the same as those in part 2747.0030. The insurer may charge the policyowner a reasonable fee for providing the report.

Subp. 3. **Policy guarantees.** The policy shall provide guarantees of minimum interest credits and maximum mortality and expense charges. Values and data shown in the policy shall be based on guarantees. No figures based on nonguarantees shall be included in the policy.

Subp. 4. **Calculation of cash surrender values.** The policy shall contain at least a general description of the calculation of cash surrender values including the following information:

- A. The guaranteed maximum expense charges and loads.
- B. Any limitation on the crediting of additional interest. Interest credits shall not remain conditional for a period longer than 12 months.
- C. The guaranteed minimum rate or rates of interest.
- D. The guaranteed maximum mortality charges.
- E. Any other guaranteed charges.
- F. Any surrender or partial withdrawal charges.

The following information must be summarized on the policy data page: the guaranteed maximum expense charges and loads; any limitations on the crediting of additional interest; any other guaranteed charges; and any surrender or partial surrender charges.

Subp. 5. **Changes in basic coverage.** If the policyowner has the right to change the basic coverage, any limitation on the amount or timing of the change shall be stated in the policy. If the policyowner has the right to increase the basic coverage, the policy shall state whether a new period of contestability or suicide applies to the additional coverage.

Subp. 6. **Grace period and lapse.** The policy shall provide for written notice to be sent to the policyowner's last known address at least 30 days before termination of coverage.

A flexible premium policy shall provide for a grace period of at least 30 days (or as required by state statute) after lapse. Unless otherwise defined in the policy, lapse shall occur on that date on which the net cash surrender value first equals zero.

Subp. 7. **Misstatement of age or sex.** If there is a misstatement of age or sex in the policy, the amount of the death benefit shall be that which would be purchased by the most recent mortality charge at the correct age or sex. The commissioner may approve other methods that are deemed satisfactory.

Subp. 8. **Maturity date.** If a policy provides for a maturity date, end date, or similar date, then the policy shall also contain a statement, in close proximity to that date, that it is possible that coverage may not continue to the maturity date even if scheduled premiums are paid in a timely manner, if such is the case.

### 2747.0030 DISCLOSURE REQUIREMENTS.

In connection with any advertising, solicitation, negotiation, or procurement of a universal life insurance policy:

- A. Any statement of policy cost factors or benefits shall contain:
  - (1) the corresponding guaranteed policy cost factors or benefits, clearly identified;

(2) a statement explaining the nonguaranteed nature of any current interest rates, charges, or other fees applied to the policy, including the insurer's rights to alter any of these factors; and

(3) any limitations on the crediting of interest, including identification of those portions of the policy to which a specified interest rate shall be credited.

B. Any illustration of the policy value shall be accompanied by the corresponding net cash surrender value.

C. Any statement regarding the crediting of a specific current interest rate shall also contain the frequency and timing by which the rate is determined.

D. If any statement refers to the policy being interest-indexed, the index shall be described. In addition, a description shall be given of the frequency and timing of determining the interest rate and of any adjustments made to the index in arriving at the interest rate credited under the policy.

E. Any illustrated benefits based upon nonguaranteed interest, mortality, or expense factors shall be accompanied by a statement indicating that these benefits are not guaranteed.

F. If the guaranteed cost factors or initial policy cost factor assumptions would result in policy values becoming exhausted before the policy's maturity date, the fact shall be disclosed, including notice that coverage will terminate under such circumstances.

#### **2747.0035 PERIODIC DISCLOSURE TO POLICYOWNER.**

**Subpart 1. Requirements.** The policy shall provide that the policyowner will be sent, without charge, at least annually, a report that will serve to keep the policyowner advised of the status of the policy. The end of the current report period shall be not more than three months previous to the date of the mailing of the report. The report shall include the following:

A. The beginning and end of the current report period.

B. The policy value at the end of the previous report period and at the end of the current report period.

C. The total amounts credited or debited to the policy value during the current report period, identifying each by type (for example, interest, mortality, expense, and riders).

D. The current death benefit at the end of the current report period on each life covered by the policy.

E. The net cash surrender value of the policy as of the end of the current report period.

F. The amount of outstanding loans, if any, as of the end of the current report period.

G. For fixed premium policies: If, assuming guaranteed interest, mortality, and expense loads and continued scheduled premium payments, the policy's net cash surrender value is such that it would not maintain insurance in force until the end of the next reporting period, a notice to this effect shall be included in the report.

H. For flexible premium policies: If, assuming guaranteed interest, mortality, and expense loads, the policy's net cash surrender value will not maintain insurance in force until the end of the next reporting period unless further premium payments are made, a notice to this effect shall be included in the report.

#### **2747.0040 INTEREST-INDEXED UNIVERSAL LIFE INSURANCE POLICIES.**

**Subpart 1. Initial filing requirements.** The following information shall be submitted in connection with any filing of interest-indexed universal life insurance policies (interest-indexed policies). The information received shall be treated confidentially to the extent permitted by law.

A. A description of how the interest credits are determined, including:

(1) a description of the index;

(2) the relationship between the value of the index and the actual interest rate to be credited;

(3) the frequency and timing of determining the interest rate; and

(4) the allocation of interest credits, if more than one rate of interest applies to different portions of the policy value.

B. The insurer's investment policy, that includes a description of the following:

(1) how the insurer addressed the reinvestment risks;

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## ADOPTED RULES

The adoption of a rule becomes effective after the requirements of Minn. Stat. § 14.14-14.28 have been met and five working days after the rule is published in *State Register*, unless a later date is required by statutes or specified in the rule.

If an adopted rule is identical to its proposed form as previously published, a notice of adoption and a citation to its previous *State Register* publication will be printed.

If an adopted rule differs from its proposed form, language which has been deleted will be printed with strikeouts and new language will be underlined. The rule's previous *State Register* publication will be cited.

An emergency rule becomes effective five working days after the approval of the Attorney General as specified in Minn. Stat. § 14.33 and upon the approval of the Revisor of Statutes as specified in § 14.36. Notice of approval by the Attorney General will be published as soon as practicable, and the adopted emergency rule will be published in the manner provided for adopted rules under § 14.18.

### Department of Health

#### Adopted Rules Relating to Health, Morticians, Funeral Directors, Fees, and Licensing

The rule proposed and published at *State Register*, Volume 10, Number 39, pages 1965-1974, March 24, 1986 (10 S.R. 1965) is adopted with the following modifications:

##### Rule as Adopted

###### 4610.2400 DEFINITIONS.

Subp. 13. **Transportation costs.** "Transportation costs" includes the vehicle used for the initial transfer of the deceased, funeral coach, funeral sedans, flower car, service/utility car, and the use of public transportation where needed, ~~and others.~~

### Higher Education Coordinating Board

#### Adopted Rules Relating to Financial Assistance

The rules proposed and published at *State Register*, Volume 10, Number 33, pages 1649-1954, February 10, 1986 (10 S.R. 1649) and Volume 10, Number 35, page 1757, February 24, 1986 (10 S.R. 1757) are adopted with the following modifications:

##### Rules as Adopted

###### 4830.0600 AWARDS.

Subp. 1d. **Fact finding committee.** The fact finding committee of the board shall consist of the executive director of the board or a designee, one financial aid officer appointed by the board, and one student appointed by the board. The appointments will be for one year or until a successor is appointed. The board's representative will act as chairperson of the fact finding committee and will convene the committee as necessary. In the event the financial aid officer or the student is involved in any way in a case before the committee the one involved ~~one~~ must be replaced by an alternate appointed by the board.

###### 4830.0700 METHOD OF PAYMENT.

Subp. 3. **School accounting requirements.** Schools shall maintain separate accounts for scholarship and grant-in-aid funds. Refunds to the board must be accompanied with a list stating the social security number, name, award type, amount of refund, term, and refund code for each student included in the refund. The refund must be made to the board within 30 days ~~of~~ from the end of the academic term, or 30 days from the date the school is notified of a student's withdrawal, whichever is less. Schools must provide evidence, prepared according to generally accepted accounting principles, that all awards have either been distributed or refunded to the board.

###### 4830.2200 APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS.

Subp. 5. **Unused funds.** The school must return funds which the school determines will not be used within 30 days ~~of~~ from the date of a request by the board. The board shall reallocate the funds to other participating schools requesting additional funds.

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## ADOPTED RULES

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### Department of Human Services

#### Adopted Emergency Rule Relating to Medical Assistance and Third Party Payer Liability

The rule proposed and published at *State Register*, Volume 10, Number 36, pages 1814-1817, March 3, 1986 (10 S.R. 1814) is adopted with the following modifications:

##### Rule as Adopted, Emergency

##### 9505.0211 [Emergency] THIRD PARTY PAYER LIABILITY.

Subpart 1. **Definitions.** The terms used in subparts 1 to 9 have the meanings given them.

B. "Authorized representative" means an individual authorized by the medical assistance applicant or recipient to apply for medical assistance or perform duties required of the applicant or recipient by parts 9500.0760 to 9500.0860 on behalf of the applicant or recipient.

Subp. 3. **Provider responsibility to obtain information and assignment of benefits.** The provider shall obtain information about the recipient's potential health service coverage by a third party payer from the recipient, from the recipient's responsible relative, or from the remittance advice provided by the department upon rejection of a claim because of the department's identification of a potential third party payer. Further, the provider ~~shall be responsible to~~ may obtain an assignment of benefits from the recipient, policyholder, or other authorized individual or representative. In the case of a dependent child insured under a policy held by a parent or other individual who does not have custody of the child, the provider ~~shall~~ may obtain the assignment from the individual who has custody of the child. For purposes of this subpart, "responsible relative" means the spouse of a medical assistance recipient or applicant or the parent of a child under age 18 who is a medical assistance recipient or applicant.

Subp. 8. **Recovery of payments to recipients.** Notwithstanding the provisions of part 9500.1080, subpart 1, a provider ~~must~~ may bill a recipient to recover the amount of a payment received by a recipient from a third party payer. The department is liable only to the extent that the amount payable by medical assistance exceeds the third party liability.

Subp. 9. **Exclusion from third party payer billing requirements.** The department will exclude from third party payer billing requirements those health services for which the probable existence of liability cannot be determined or for which the third party payer billing is not cost effective to the department. Providers are not required to bill third party payers for:

H. Other health services for which the Health Care Financing Administration (HCFA) has granted the state a waiver. The department will implement any waiver approved by HCFA or discontinue any waiver withdrawn by HCFA within 60 days after the department's receipt of the notice from HCFA.

### Department of Human Services

#### Adopted Emergency Rule Relating to Medical Assistance Assignment of Rights to Benefits from Liable Third Party Payers and Establishment of Paternity

The rule proposed and published at *State Register*, Volume 10, Number 36, pages 1814-1819, March 3, 1986 (10 S.R. 1814) is adopted with the following modifications:

##### Rule as Adopted, Emergency

##### 9505.0212 [Emergency] ASSIGNMENT OF RIGHTS.

Subpart 1. **Definitions.** The terms used in subparts 1 to 6 have the meanings given them in items A to F.

B. "Authorized representative" means an individual authorized by the medical assistance applicant or recipient to apply for medical assistance or perform duties required of the applicant or recipient by parts 9500.0760 to 9500.0860 on behalf of the applicant or recipient.

Subp. 3. **Assignment of benefits.** All legally able medical assistance applicants and recipients shall assign to the department their rights and the rights of their dependent children to benefits from liable third party payers. Any applicant or recipient who refuses to assign to the department his or her own rights or those of any other ~~individual~~ person for whom he or she can legally make an assignment shall be found ineligible for medical assistance. ~~An individual~~ A person who is otherwise eligible for medical assistance shall not have his ~~to~~ or her eligibility denied or delayed because he or she cannot legally assign his or her own rights and the individual legally able to make the assignment refuses to assign the rights ~~or to cooperate~~.

Subp. 4. **Cooperation in establishing paternity and obtaining medical support.** Except as provided in subparts 5 and 6, a person must cooperate with the department and local agency in establishing paternity of an eligible child and in obtaining medical care support and payments for himself or herself and any other person for whom he or she can legally assign rights. Cooperation includes providing the local agency or the department with information, appearing at a state or local office to provide information or evidence relevant to the case, appearing as a witness at a court or other proceeding, paying to the local agency or the department any medical support or medical care funds received that are covered in the assignment, ~~provide~~ providing information or attest attesting to lack of information under penalty of perjury, and taking other reasonable steps to establish paternity and obtain medical support. The person who fails to cooperate in establishing paternity ~~and~~ or obtaining medical support shall be ineligible for medical assistance. The person who is otherwise eligible for medical assistance shall not have his or her eligibility denied because his or her caretaker refuses to cooperate.

Subp. 5. **Good cause exemption from the requirement to cooperate in establishing paternity and or obtaining medical care support for children.** Before requiring a ~~person~~ an individual to cooperate in establishing paternity ~~and~~ or obtaining medical care support for children, a local agency shall notify the ~~person~~ individual that he or she may claim a good cause exemption from ~~cooperating with~~ the requirements of subpart 4 at the time of application or at any subsequent time. When a ~~person~~ an individual submits a good cause claim in writing, the local agency must stop action related to obtaining medical care support and payments. The ~~person~~ individual shall submit corroborative evidence of a good cause claim to the local agency within 20 days of submitting the claim.

A. Good cause exists when:

(1) a child for whom ~~child~~ medical support ~~enforcement~~ is sought was conceived as the result of incest or rape;

B. Good cause exists when the ~~person~~ individual documents that his or her cooperation would not be in the best interest of the dependent child because the cooperation could result in:

(3) physical harm to or emotional impairment of the ~~person~~ individual which would substantially affect the ~~person's~~ individual's functioning and reduce the ~~person's~~ individual's ability to adequately care for the child.

C. The local agency shall help a ~~person~~ an individual who has difficulty getting the evidence to support a good cause claim. When a local agency requires additional evidence to make a determination on the claim for good cause, the local agency shall notify the ~~person~~ individual that additional evidence is required, explain why the additional evidence is required, identify what form this evidence might take, and specify an additional period that will be allowed to obtain it.

D. A local agency shall determine whether good cause exists by comparing the good cause claim of the ~~person~~ individual to sufficiency of the evidence.

E. ~~Once~~ When a local agency determines that a ~~person~~ has good cause exists, the exemption from cooperation under subpart 4 must remain in effect for the period the child remains eligible under that application, except for subitems (1) to (4).

G. When a local agency denies a claim for a good cause exemption and resumes its enforcement action, the local agency shall require the ~~person~~ individual to submit additional evidence in support of a later claim for a good cause exemption before the local agency ~~stops acting~~ can again stop action to enforce ~~child~~ medical support under subpart 4.

H. Following a determination that a ~~person~~ an individual has good cause for refusing to cooperate, a local agency shall take no further action to enforce ~~child~~ medical support until the good cause exemption ends according to item E.

Subp. 6. **Good cause exemption from the requirement to cooperate in obtaining medical care support and or payments for other individuals persons.** Before requiring a ~~person~~ an individual to cooperate in obtaining medical care support ~~and~~ or payments for other ~~individuals~~ persons not covered by subpart 5, a local agency shall notify the ~~person~~ individual that he or she may claim a good cause exemption from ~~cooperating with~~ the requirements of subpart 4 at the time of application or at any subsequent time. When a ~~person~~ an individual submits a good cause claim in writing, the ~~person~~ individual shall submit corroborative evidence of the good cause claim to the local agency within 20 days of submitting the claim. The local agency must send the claim and the corroborative evidence to the department and must stop action related to obtaining medical care support and payments.

B. The local agency shall help a ~~person~~ an individual who has difficulty getting the evidence to support a good cause claim. When a local agency or the department requires additional evidence to make a determination on the claim for good cause, the local agency or department shall notify the ~~person~~ individual that additional evidence is required, explain why the additional evidence is required, identify what form this evidence might take, and specify an additional period that will be allowed to obtain it.

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## ADOPTED RULES

D. ~~Once~~ When the department determines that a ~~person has~~ good cause exists, the exemption from cooperation under subpart 4 must remain in effect for the period the person remains eligible under that application. A good cause exemption must be allowed under subsequent applications without additional evidence when the factors which led to the exemption continue to exist. A good cause exemption allowed under this subpart must end when the factors which led to allowing the exemption have changed.

E. When the department denies a claim for a good cause exemption and enforcement action resumes, ~~the department shall continue to enforce medical care support and payment requirements unless the person submits individual must submit~~ additional evidence in support of a any later claim for a good cause exemption before the department or local agency ~~stops~~ can again stop acting to obtain medical care support ~~and or~~ payments under subpart 4.

F. Following a determination that a ~~person an individual~~ has good cause for refusing to cooperate, a local agency and the department shall take no further action to obtain medical care support ~~and payment or payments~~ until the good cause exemption ends under item D.

## Department of Human Services

### Adopted Rules Relating to General Assistance Standards of Assistance and Reduced Standards of Assistance

The rules proposed and published at *State Register*, Volume 10, Number 36, pages 1797-1813, March 3, 1986 (10 S.R. 1797) are adopted with the following modifications:

#### Rules as Adopted

#### 9500.1205 DEFINITIONS.

Subp. 3. **Allowable deductions.** "Allowable deductions" means income or expenses that are subtracted from gross income under part 9500.1228 when determining countable income. Allowable deductions include:

C. a meal allowance of ~~\$4~~ \$2 per day for each day that the individual eats a meal at work or has a break for a meal during work hours, unless the individual can establish that higher costs are both necessary and reasonable;

K. child care costs for each child if both parents are absent from the home and at work or in school, unless these costs are paid for or reimbursed to the individual by any other individual or entity;

BB. reimbursements for employment training received through the Job Training Partnership Act, except for wage payments for on-the-job training;

DD. loans, except for educational loans on which payment is deferred, whether from private, public, or governmental lending institutions, governmental agencies, and private individuals, if the individual and the lender provide written documentation to the local agency that the individual must repay the loan and that the loan is not a gift;

KK. payments made for subsidized adoptions under United States Code, title 42, sections 670 to 676, and Minnesota Statutes, section 259.40; ~~and~~

LL. court ordered child support payments actually paid for a minor child by an individual who is not a member of an assistance unit; and

MM. income that is otherwise specifically excluded under Minnesota Statutes, section 256D.01 to 256D.21 federal or state law from inclusion as income for state funded public assistance programs.

Subp. 19. **Unearned income.** "Unearned income" means any form of gross income that does not meet the definition of earned income. Unearned income includes an annuity, retirement, or disability benefit, including veteran's or worker's compensation, social security disability, railroad retirement benefits, or unemployment compensation; benefits under a federally funded categorical assistance program including supplemental security income, or other assistance programs; gifts, rents, dividends, interest and royalties, support and maintenance payments, pension payments, return on capital investment, insurance payments or settlements; severance payments, employment benefits, and rewards for past employment; and educational grants, deferred payment loans, and scholarships. Unearned income must be calculated in accordance with part 9500.1226.

#### 9500.1209 ELIGIBILITY DETERMINATION.

Subp. 2. **Filing unit composition.** The local agency must permit an individual or family who requests general assistance to make application for general assistance as provided by Minnesota Statutes, section 256D.07. When an application for general assistance is made for an individual or family, and when the local agency redetermines the eligibility of a recipient, the local

agency must determine the composition of the applicant's or recipient's filing unit. The local agency must require a separate application and conduct a separate eligibility determination for each filing unit. The composition of a filing unit shall be limited to the individuals specified in items A to D.

C. Individuals eligible for or receiving AFDC ~~or~~, individuals receiving AFDC-emergency assistance for current maintenance needs, or individuals who are sanctioned from receiving AFDC for failure to comply with AFDC program requirements are not eligible to be included in the general assistance filing unit.

#### **9500.1216 FULL STANDARDS.**

Except as provided by parts 9500.1218 to 9500.1222, the full standards of assistance must be used to determine the eligibility of an assistance unit under part 9500.1209, subpart 4, and the minimum monthly payment to an assistance unit under part 9500.1229, subpart 4. The full standard must be based on the number of individuals in the assistance unit and must be computed as follows:

C. Except as provided in item D, the full standard for an eligible minor children child in an assistance unit ~~that is composed of more than one individual~~ must be determined based on the number of minor children in the assistance unit according to the table in part 9500.1217, subpart 3.

#### **9500.1217 AMOUNT OF FULL STANDARDS.**

Subp. 3. **Child standards.** The full standards for minor children in an assistance unit ~~that is composed of more than one individual~~ are specified in the following table:

#### **9500.1220 REDUCED STANDARD FOR AN ASSISTANCE UNIT SHARING A RESIDENCE WITH A RESPONSIBLE RELATIVE WHO RECEIVES OR HAS BEEN SANCTIONED OR DISQUALIFIED FROM RECEIVING GENERAL ASSISTANCE OR AFDC.**

Subp. 2. **Reduced standard.** The reduced standard applicable to an assistance unit provided for by subpart 1 must be determined according to items A to C.

B. When determining the amount the responsible relative's general assistance or AFDC standards would increase due to the addition of the assistance unit members, the following standards shall apply to the added members:

(3) Except as provided in subitem (4), the standard of assistance applicable to a spouse is the standard for a second adult added to the responsible relative's general assistance or AFDC grant.

(4) The standard of assistance applicable to the spouse of an AFDC recipient who is the sole individual in the AFDC assistance unit and whose AFDC payment is determined using the special adult standard is the difference between the AFDC standard for a married couple and the AFDC special adult standard.

#### **9500.1226 UNEARNED INCOME.**

Subp. 2. **Educational grants, scholarships, and loans.** Educational grants, deferred payment loans, and scholarships received by an individual must be considered unearned income. The local agency must subtract tuition, fees, books, supplies, and transportation expenses from the total amount of the individual's grants, deferred payment loans, and scholarships, and prorate the remainder over the period the funds are intended to cover.

**INTERNAL REFERENCE CORRECTIONS.** The references to part 9500.1208, item B, contained in parts 9500.1210 and 9500.1212 are changed to 9500.1209, subpart 4, item A.

In accordance with Laws of Minnesota 1985, First Special Session chapter 9, article 2, sections 55 and 105, Minnesota Rules, parts 9500.1205, 9500.1209, and 9500.1214 to 9500.1232 are effective July 1, 1986.

**KEY: PROPOSED RULES SECTION** — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

# EMERGENCY RULES

## Proposed Emergency Rules

According to Minn. Stat. of 1984, §§ 14.29-14.30, state agencies may propose adoption of emergency rules if: 1) expressly required; 2) authorized by statute; or 3) if the manner permitted by a directive (given by statute, federal law or court order) does not allow for compliance with sections 14.14-14.28. The agency must, however, publish a notice of intent to adopt emergency rules, along with the rules themselves, in the *State Register*. The notice must advise the public:

- 1) that a free copy of the proposed emergency rule is available upon request from the agency;
- 2) that notice of the date that the rule is submitted to the attorney general will be mailed to persons requesting notification;
- 3) that the public has at least 25 days after publication of the proposed emergency rule to submit data and views in writing; and
- 4) that the emergency rule may be modified if the data and views submitted support such modification.

## Adopted Emergency Rules

Emergency rules take effect five working days after approval by the attorney general, and after compliance with Minn. Stat. §§ 14.29-14.365. As soon as possible, emergency rules are published in the *State Register* in the manner provided for in section 14.18.

Emergency rules are effective for the period stated in the notice of intent to adopt emergency rules. This may not exceed 180 days.

## Continued/Extended Emergency Rules

Adopted emergency rules may be continued in effect (extended) for an additional 180 days. To do this, the agency must give notice by: 1) publishing notice in the *State Register*; and 2) mailing the same notice to all persons who requested notification on rulemaking. No emergency rule may remain in effect 361 days after its original effective date. At that point, permanent rules adopted according to Minn. Stat. 14.14-14.28 supercede emergency rules.

# MINNESOTA RULES AMENDMENTS AND ADDITIONS

## Vocational Technical Education Board

3515.5060-.5061 [Emer] (proposed)..... 2324

## State Board of Vocational Technical Education

### Proposed Emergency Rules Relating to Uncharted Licensure Criteria; Preparation for Small Business Ownership and Textile and Apparel Occupations

#### Notice of Proposed Adoption of Emergency Rules

Notice is hereby given that the State Board of Vocational Technical Education proposes to adopt the above entitled emergency rules. The statutory authority to adopt emergency rules is contained in Minnesota Statutes 136C., Subdivision 9.

Persons interested in these rules have until 4:30 p.m., Monday, June 16, 1986 to submit written comments. The proposed emergency rules may be modified if the modifications are supported by data and views submitted to the State Board of Vocational Technical Education. Written comments should be sent to:

Helen Henrie, Deputy Director  
State Board of Vocational Technical Education  
565 Capitol Square  
550 Cedar Street  
St. Paul, MN 55101  
Telephone: 612/297-4575

Upon adoption of these emergency rules, this notice, all written comments received, and the adopted emergency rules will be delivered to the Attorney General and to the Revisor of Statutes for review as to form and legality.

Notice of the date of submission of the proposed emergency rule to the attorney general will be mailed to any person requesting to receive this notice. The Attorney General shall approve or disapprove the proposed emergency rule and any modifications on the tenth working day following the date of receipt of the proposed emergency rule from the agency.

The adopted emergency rule will not become effective without the Attorney General's approval and the Revisor of Statutes' certification of the rules' form. Emergency rules take effect five working days after approval by the Attorney General.

As required by the Administrative Procedures Act, Minnesota Statutes, Chapter 14, these emergency rules shall be in effect for up to 180 days following their adoption and may be continued in effect for an additional 180 days if the State Director gives notice of continuation by publishing notice in the *State Register* and mailing the same notice to all persons registered with the State Direc-

tor to receive notice of rulemaking proceedings. The emergency rules shall not be effective 360 days after their effective date without following the procedures in Minnesota Statutes, sections 14.13 to 14.20.

These emergency rules will be implemented through existing processes and will not result in new expenditures by school districts.

A free copy of the proposed emergency rules may be obtained by contacting:

Helen Henrie, Deputy Director  
State Board of Vocational Technical Education  
565 Capitol Square  
550 Cedar Street  
St. Paul, MN 55101

Joseph P. Graba, State Director  
State Board of Vocational Technical Education

### **Rules as Proposed, Emergency (all new material)**

#### **3515.5060 [Emergency] UNCHARTED LICENSURE CRITERIA; PREPARATION FOR SMALL BUSINESS OWNERSHIP.**

Subpart 1. **General requirements.** To qualify for a license, an applicant in a licensure area not charted in parts 3515.9910 to 3515.9942 must comply with parts 3515.0300 to 3515.1100, 3515.1400, items A to E, and 3515.2100, and specifically in the area of preparation for small business ownership must present evidence of completion of the education and occupational experience requirements of subparts 2 and 3.

Subp. 2. **Occupational experience requirement.** An applicant must have completed verified occupational experience of 6,000 hours as a working proprietor, general manager, operations manager, or manager/supervisor in a retail, wholesale, service, manufacturing, contract construction, financial, insurance, real estate, or transportation business.

Of the 6,000 hours of verified occupational experience required by this subpart, 500 hours must be accumulated within the five years before applying for the license.

Subp. 3. **Education requirements.** An applicant must have completed at an accredited institution a degree program in business education, distributive education, marketing education, business administration, accounting, or business management at the associate degree level or higher or nine quarter credits or 270 clock hours of postsecondary education in principles or fundamentals of accounting, intermediate accounting, or advanced accounting.

#### **3515.5061 [Emergency] UNCHARTED LICENSURE CRITERIA; TEXTILE AND APPAREL OCCUPATIONS.**

Subpart 1. **General requirements.** To qualify for a license, an applicant in a licensure area not charted in parts 3515.9910 to 3515.9942 must comply with parts 3515.0300 to 3515.1100, 3515.1400, items A to E, and 3515.2100, and specifically in the area of service occupations/textile and apparel occupations must present evidence of completion of the education and occupational experience requirements of subpart 2 or a combination of subparts 2 and 3.

Subp. 2. **Occupational experience requirement.** An applicant must have completed verified occupational experience of 6,000 hours with a minimum of 3,000 hours in garment and apparel construction; custom apparel, textile management, production, and services; and costume construction or alteration. The remaining 3,000 hours may be in those occupations or in clothing sales, slipcover or drapery production, or fashion or apparel design.

Of the 6,000 hours of verified occupational experience required by this subpart, 1,500 hours must be accumulated within the three years before applying for the license.

Subp. 3. **Substitution for occupational requirement.** An applicant may substitute the education listed in this subpart from any accredited postsecondary institution for up to 3,000 hours of verified occupational experience required in subpart 2 at the ratio specified. Notwithstanding the substitution permitted by this subpart, an applicant must comply with the other requirements of subpart 2.

A. A baccalaureate level or higher degree in general home economics; home economics education (consumer homemaking); costume design; apparel and textile management; applied design in textiles and clothing; retail merchandising, apparel option; or textile and clothing is equivalent to 3,000 hours of verified occupational experience.

B. An associate degree in home furnishing/apparel and textile; management, production, and services in textiles or apparel is equivalent to 1,500 hours of verified occupational experience.

C. A diploma in any of the programs in this item: fashion merchandising; apparel arts; custom tailoring and alteration specialization; apparel design and production may be substituted for some hours of verified occupational experience. A one-year (1,050 clock

## **EMERGENCY RULES**

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hour) program is equal to 1,575 hours of verified occupational experience. A two-year (2,100 clock hour) program is equal to 3,000 hours of verified occupational experience.

D. Completion of courses for credit with a minimum grade of C or its equivalent from accredited postsecondary institutions in the following areas may be substituted for some hours of verified occupational experience: tailoring, dressmaking, slipcovers, drapery construction; apparel arts; apparel design and construction; custom apparel; clothing and textiles; clothing alterations and repair. Each clock hour of instruction is equal to 1.5 hours of occupational experience. Each quarter credit is equal to 180 hours of occupational experience. Two semester credits is equivalent to three quarter credits.

E. Directed occupational experience in accordance with part 3515.1300, subpart 1, in customer apparel and textile management, production, services; costume construction; alterations; clothing sales; slipcover or drapery production; fashion or apparel design may be substituted for 3,000 hours of occupational experience.

## **OFFICIAL NOTICES**

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Pursuant to the provisions of Minn. Stat. § 15.0412, subd. 6, an agency, in preparing proposed rules, may seek information or opinion from sources outside the agency. Notices of intent to solicit outside opinion must be published in the *State Register* and all interested persons afforded the opportunity to submit data or views on the subject, either orally or in writing.

The *State Register* also publishes other official notices of state agencies, notices of meetings, and matters of public interest.

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### **Capitol Area Architectural and Planning Board**

#### **Outside Opinion Sought Concerning Proposed Rules Governing Capitol Area Zoning and Design**

Notice is hereby given that the Minnesota Capitol Area Architectural and Planning Board is seeking information or opinions from sources outside the agency in preparing to rezone portions of the Capitol Area.

The promulgation of zoning and design rules is authorized by Laws of Minnesota 1985, Chapter 15.50, Subdivision 2 (a).

The Capitol Area Architectural and Planning Board requests information and comments concerning the proposed rezoning. Interested or affected persons or groups may submit statements of information or comment orally or in writing by Friday, May 30, 1986.

Written statements should be addressed to:

Gary Grefenberg, Executive Secretary  
Capitol Area Architectural and Planning Board  
Room B-46 State Capitol  
St. Paul, Minnesota 55155

Oral statements of information and comment will be received over the telephone at (612) 296-7138 between the hours of 9:00 a.m. and 4:00 p.m.

### **Department of Education, Instructional Effectiveness Division**

#### **Nominations Solicited for Special Education Advisory Committee**

The Department of Education, Special Education Section is soliciting nominations of persons to serve on the Special Education Advisory Committee (SEAC).

The purpose of SEAC is to assist the State in developing plans and practices that will help assure effective and efficient implementation of Special Education Programs for handicapped students in local school districts.

There are five vacancies for the 1986-89 term. The Committee meets four times from September through June each year.

To ensure appropriate representation, special consideration will be made to recommendations of: 1) Special Education Coordinators or Teachers; 2) Parent Advocates; 3) Special Education Administrators; 4) Regular Education Teachers; 5) Secondary Principals; 6) Congressional Districts: 1, 3, 4, 5, 8.

Please send your recommendations by June 2, 1986 to:

Dr. Norena A. Hale  
812 Capitol Square Building  
550 Cedar Street  
St. Paul, MN 55101

For additional information contact Dr. Norena A. Hale, Special Education Section at 612/296-1793.

## **Minnesota Housing Finance Agency**

### **Notice of Hearing on Bond Issue**

The Minnesota Housing Finance Agency will hold a public hearing at 1:00 p.m. on Tuesday, June 3, 1986, at the Minnesota Housing Finance Agency, in St. Paul, Minnesota for the purpose of taking public testimony regarding its proposed issuance of single family mortgage revenue bonds in a principal amount not exceeding \$65,000,000.

The Bonds are being issued in a principal amount equivalent to the amount of unexpended proceeds of the Agency's outstanding Residential Mortgage Bonds, Series 1983B, Series 1983C, Series 1984A, Series 1985A and Series 1985B, which unexpended proceeds will be used to specially redeem portions of said issues. The proceeds of the Bonds will replace said funds and will make available approximately \$63,200,000 million in lower interest mortgage loans to certain homebuyers of single family owner/occupied residences located throughout the State of Minnesota, which homebuyers qualify under the Agency's Program and Federal Law.

Copies of the Preliminary Official Statement for the proposed issue may be obtained from Minnesota Housing Finance Agency, 400 Sibley Street, St. Paul, Minnesota 55101, Attn: Eleanor Northrop.

James Solem, Executive Director

## **Department of Human Services**

### **Notice of Appointment to the Medical Policy Directional Task Force on Mental Health**

Notice is hereby given that the Department of Human Services has appointed the following members to the Medical Policy Directional Task Force on Mental Health: Lee H. Beecher, M.D.; Marlene Buskirk, R.N., M.S.; Eunice A. Davis, M.D., M.P.H.; Miller A. Friesen, M.S.W.; Clara Kanun, Ph.D.; Thomas Papin, M.A.; Frank S. Rhame, M.D.; Zigfrids T. Stelmachers, Ph.D., and a neurologist to be named at a later date.

Notice of vacancies for this task force were announced in the *State Register* on February 24, 1986.

Direct inquiries to: Frederick Ferron, M.D.; Medical Director; Department of Human Services; 4th Floor Centennial Building; 658 Cedar Street; St. Paul, Minnesota 55155.

## **Department of Human Services, Assistance Payments, Policy and Operations Division**

### **Outside Opinion Sought Concerning Minnesota Supplemental Aid**

Notice is hereby given that the Minnesota Department of Human Services is seeking information or opinions from sources outside the agency in preparing to draft amendments to DHS Rule 9500.0650 to 9500.0710 governing the Minnesota Supplemental Aid (MSA) program. MSA is the program under which recipients of Supplemental Security Income (SSI) and other aged, blind, and disabled individuals who would have been eligible for SSI had their income not exceeded the SSI level of payment receive supplemental financial assistance. The rule is authorized by Minnesota Statutes, section 256D.41.

The Minnesota Department of Human Services requests information and comments concerning the subject matter of this proposed rule. Interested or affected persons or groups may submit statements of information or comment orally or in writing. Written statements should be addressed to:

Barry Stern  
Rules Unit  
Minnesota Department of Human Services  
6th Floor, Space Center  
444 Lafayette Road  
St. Paul, MN 55101

## OFFICIAL NOTICES

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Oral statements and comments will be received during regular business hours over the telephone at (612) 296-1545.

All statements of information and comment shall be accepted until further notice. Any written material received by the Minnesota Department of Human Services shall become part of the record in the event the rule is promulgated.

### Department of Natural Resources, Minerals Division

#### Outside Opinion Sought Regarding Proposed Amendment of Rules Relating to Mineland Reclamation

Notice is hereby given that the Minnesota Department of Natural Resources is seeking information or opinions from sources outside the agency in preparing to amend the Rules Relating to Mineland Reclamation (6130.0100 to 6130.6300). The promulgation of these amendments is authorized by Minnesota Statutes section 93.481, subdivision 6, which requires the department to either adopt new rules, or amend existing rules relating to reclamation of metallic mineral minelands, before a permit to mine metallic minerals other than taconite and iron ore can be issued.

The Minnesota Department of Natural Resources requests information and comments concerning the subject matter of the proposed amendment to these rules. Interested or affected persons or groups may submit statements of information or comment orally or in writing. Written statement shall be addressed to:

Paul Pojar  
Department of Natural Resources  
Division of Minerals  
DNR Building  
500 Lafayette Road, Box 45  
St. Paul, MN 55146

Oral statements will be received during regular business hours over the telephone (612) 296-4807 and in person at the above address.

All statements of information and comment shall be accepted until July 1, 1986. Any written material received by the Minnesota Department of Natural Resources shall become part of the record in the event that the amendment to the rules is promulgated.

Elwood F. Rafn, Director  
Division of Minerals  
Department of Natural Resources

### Office of the Secretary of State

#### Notice of Vacancies in Multi-Member State Agencies

Notice is hereby given to the public that vacancies have occurred in multi-member state agencies, pursuant to Minn. Stat. § 15.0597, subd. 4. Application forms may be obtained at the Office of the Secretary of State, 180 State Office Building, St. Paul 55155-1299; (612)296-2805. Application deadline is June 10, 1986.

**CHILDREN'S TRUST FUND ADVISORY COUNCIL** has 7 vacancies open for members who shall demonstrate knowledge in the area of child abuse and shall represent the demographic and geographic composition of the state and to the extent possible, represent the following groups: local government, parents, racial and ethnic minority communities, the religious community, professional providers of child abuse prevention and treatment services, and volunteers in child abuse prevention and treatment services. The council shall distribute trust fund money to any public or private non-profit agency to fund a child abuse prevention program. Members are appointed by the Governor. Members receive \$35 per diem plus expenses. For specific information contact the Children's Trust Fund Advisory Council, Rachel Wobschall, 130 Capitol, St. Paul 55155; (612)296-0057.

**SMALL BUSINESS PROCUREMENT ADVISORY COUNCIL** has 1 vacancy open for a member. The council advises the Commissioner of Administration on the small business procurement program, reviews complaints from vendors and reviews compliance reports. Members are appointed by the Commissioner of Administration. Members receive no compensation. For specific information contact the Small Business Procurement Advisory Council, 112 Administration Bldg., St. Paul 55155; (612)297-4412.

**MATERNAL AND CHILD HEALTH ADVISORY TASK FORCE** has 1 vacancy open for consumer representative. No members shall be employees of the State Department of Health. The task force shall meet on a regular basis to perform the following duties: review and report on health care needs of mothers and children throughout the state of Minnesota; review and report on

the type, frequency and impact of maternal and child health care services provided to mothers and children under existing maternal and child health care programs, including programs administered by the commissioner of health; establish, review and report to the commissioner a list of program guidelines and criteria which the advisory task force considers essential to providing an effective maternal and child health care program to low income-populations and high-risk persons. Members are appointed by the Commissioner of Health. Members receive expenses. For specific information contact the Maternal and Child Health Advisory Task Force, Dept. of Health, Community Services division, 717 Delaware St. S.E., Mpls. 55440; (612)623-5265.

**HUMAN SERVICES OCCUPATIONS ADVISORY COUNCIL** has 1 vacancy open for a public member. The council shall assist the Commissioner of Health in formulating policies and rules regarding the credentialing of human services occupations by the state. Members are appointed by the Commissioner of Health. Members receive \$35 per diem plus expenses. Quarterly meetings at the Dept. of Health. For specific information contact the Human Services Occupations Advisory Council, Dept. of Health, 717 Delaware St. S.E., Mpls. 55440; (612)623-5443.

**ADVISORY COMMITTEE ON TECHNOLOGY IN EDUCATION** has 1 vacancy open for an employee of the Minnesota Educational Computing Corporation. The committee shall provide advice on the appropriate incorporation of technology into schools, assist in the determination of level of funding for each Technology Demonstration Site, monitor the evaluation of the Technology Demonstration Sites, assist in developing criteria for selection of Courseware Integration Centers and monitor the evaluation of the Courseware Integration Centers. Members shall be knowledgeable about the use of technology in elementary and secondary education. Members are appointed by the Governor. For specific information contact the Advisory Committee on Technology in Education, 682 Capitol Square Bldg., St. Paul 55101; (612)296-4067.

**SOLID WASTE MANAGEMENT ADVISORY COUNCIL** of the Minnesota Waste Management Board has 12 vacancies open immediately. Applications are requested from the following groups: four public members; four representatives of local government units; and, four representatives of private solid waste management firms. Experience is desirable but not required in the following areas: state and municipal finance, solid waste collection, processing and disposal, and solid waste reduction and resource recovery. The council makes recommendations to the Waste Management Board on its solid waste management activities. Members will be appointed for 2-year renewable terms by the chairperson of the Waste Management Board. The appointments will be for terms expiring 6/30/88. Meetings will be held twice monthly in the metropolitan area; members will be compensated for expenses. For specific information contact Bill Walker, Chairman, Waste Management Board, 7323 58th Ave. N., Crystal 55428; (612)536-0816.

**MINNESOTA CRIME VICTIM AND WITNESS ADVISORY COUNCIL** has 4 vacancies open for 1 crime victim representative and 3 public members. The council shall review on a regular basis the treatment of victims by the criminal justice system and the need and availability of service to victims. Members are appointed by the Commissioner of Public Safety after consulting with the Commissioner of Corrections. Members receive no compensation. The appointments should take into account sex, race and geographic distribution. For specific information contact the Minnesota Crime Victim and Witness Advisory Council, Dept. of Public Safety, 211 Transportation Bldg., St. Paul 55155; (612)296-6642.

**HAZARDOUS SUBSTANCE NOTIFICATION ADVISORY COMMITTEE** has 11 vacancies open for representation from each of the following: fire chiefs; professional firefighters; volunteer firefighters; fire marshals; law enforcement personnel; emergency medical personnel; an independent health professional with training in toxicology; and 4 representatives from business and industry, at least one of whom shall represent small business. The committee shall advise on the development of rules to implement and enforce Sections 10 to 18, (1986 Laws Special Session 1, Chapter 1, Article 10) and to assist in the development of amendments to the hazardous substance notification report. Members are appointed by the Commissioner of Public Safety. Members receive \$35 per diem. For specific information contact the Hazardous Substance Notification Advisory Committee, Dept. of Public Safety, 211 Transportation Bldg., St. Paul 55155; (612)296-6642.

**ADVISORY COMMITTEE ON NONPUBLIC SCHOOLS** has 1 vacancy open for a member who shall be a representative of the various areas of the state and knowledgeable about nonpublic schools. The committee shall advise the Commissioner and State Board of Education on issues related to nonpublic schools. Members are appointed by the Commissioner of Education. Members receive \$35 per day plus expenses. For specific information contact the Advisory Committee on Nonpublic Schools, 709 Capitol Square Bldg., St. Paul 55101; (612)296-3271.

**MINNESOTA COMMISSION ON BICENTENNIAL OF THE UNITED STATES CONSTITUTION** has 15 vacancies open for members. The commission shall coordinate and establish bicentennial celebration activities in the State of Minnesota. Members receive no per diem or compensation. Members are appointed by the Governor. For specific information contact the Minnesota Commission on Bicentennial of the United States Constitution, 40 N. Milton St., Suite 200, St. Paul 55104; (612)296-6134.

# STATE CONTRACTS

Pursuant to the provisions of Minn. Stat. § 16.098, subd. 3, an agency must make reasonable effort to publicize the availability of any consultant services contract or professional and technical services contract which has an estimated cost of over \$2,000.

Department of Administration procedures require that notice of any consultant services contract or professional and technical services contract which has an estimated cost of over \$10,000 be printed in the *State Register*. These procedures also require that the following information be included in the notice: name of contact person, agency name and address, description of project and tasks, cost estimate, and final submission date of completed contract proposal. Certain quasi-state agencies are exempted from some of the provisions of this statute.

Commodities contracts with an estimated value of \$5,000 or more are listed under the Procurement Division, Department of Administration. All bids are open for 7-10 days before bidding deadline. For bid specifics, time lines, and other general information, contact the appropriate buyers by calling 296-6152. If the appropriate buyer is not available, contact Harvey Leach or Barbara Jolly at 296-3779.

## Department of Administration Procurement Division

### Commodities Contracts Currently Open for Bidding

Call 296-2513 for referral to specific buyers.

Commodity for Bid	Bid Closing Date at 2 pm	Department or Division	Delivery Point	Requisition #
School Supplies	May 20, 1986	Various	Various	Price-Contract
Traffic Signal System	May 20, 1986	Transportation—Electrical	St. Paul	79-050-52647
Lumber	May 20, 1986	MN Correctional Facility	Thistledew Camp—Togo	78-780-01805
3M Stormscope system	May 20, 1986	Transportation—Aeronautics	St. Paul	79-000-52666
Microwave Communications Equipment	May 20, 1986	Transportation	Duluth	79-000-52579
Mobile Traffic Radar	May 20, 1986	Public Safety	St. Paul	07-500-36675
Portable Dictating Machines	May 20, 1986	Administration—Fiscal Services	St. Paul	21-200-12485
IBM Wheelwriters	May 20, 1986	Rainy River Community College	Int'l Falls	27-155-48268
Premium Grade Diskettes	May 20, 1986	Administration—Central Stores	St. Paul	Price-Contract
PERA Newsletter	May 20, 1986	Public Employees Retirement Assn. (PERA)	St. Paul	63-000-00884-7958
State Park Vehicle Permit 1987 Fabric	May 20, 1986 May 21, 1986	Natural Resources Human Services Regional Treatment Center	St. Paul Faribault	29-000-43659-7684 02-310-14736
Traffic Signal System	May 21, 1986	Transportation—Electrical	St. Paul	79-000-52711
Traffic Signal System	May 21, 1986	Transportation	St. Paul	79-000-52798
Gasoline & Diesel Fuel Rebid	May 21, 1986	Various	Various	Sch-92-TW
Rental of Photocopy Machine	May 21, 1986	Bemidji State University	Bemidji	26-070-11616
Purchase of Copy Machine	May 21, 1986	Bemidji State University	Bemidji	26-070-11552
Panasonic KX-E700M Typewriters	May 21, 1986	Administration—Printing & Mailing	St. Paul	02-509-46296
Remodeling at Sauk Centre Correctional Facility	May 21, 1986	MN Correctional Facility	Sauk Centre	78-770-02257
Corrugated Roofing Panels	May 22, 1986	Transportation	St. Paul	79-000-52584
Purchase of Optical Mark Reader	May 22, 1986	MN Dept. of Health	Minneapolis	12-300-91599
Purchase of Copy Machine	May 22, 1986	MN Housing Finance Agency	St. Paul	34-000-04892
Automobiles & Trucks	May 22, 1986	Various	Various	Sch. 113J
Mail Extractors	May 22, 1986	Dept. of Revenue	St. Paul	67-190-11402
Roofing & Siding Material for Salt Sheds	May 22, 1986	Transportation	St. Paul	79-000-52583

<u>Commodity for Bid</u>	<u>Bid Closing Date at 2 pm</u>	<u>Department or Division</u>	<u>Delivery Point</u>	<u>Requisition #</u>
Ind. Tractor and Disc Mowers	May 23, 1986	Transportation	Various	79-382-01055, 54, 62 & 64
Traffic Signal System	May 23, 1986	Transportation—Electrical	St. Paul	79-050-52633
Calcium Chloride	May 23, 1986	Transportation	Various	Price-Contract
Generator	May 23, 1986	Transportation	St. Paul	79-000-52582
Elec. Fixtures	May 23, 1986	Rochester Community College	Rochester	27-158-48160
Trucks	May 23, 1986	Various	Various	Sch. 113I
Classroom Tables	May 23, 1986	Minneapolis Community College	Minneapolis	27-151-47318
Genuine Chelsea and Spricer PTO's and other repair parts	May 23, 1986	Various	Various	Price-Contract-Rebid
<i>State Register</i>	May 23, 1986	Administration—Documents	St. Paul	Price-Contract 02-515-50000
Repairs to Various Equip.	May 27, 1986	Mankato State University	Mankato	26-071-16469
Classroom Seating	May 27, 1986	Minneapolis Community College	Minneapolis	27-151-47317
Purchase of Photocopy Machine	May 27, 1986	St. Cloud State University	St. Cloud	26-073-18667
Purchase of Photocopy Machine	May 27, 1986	St. Cloud State University	St. Cloud	26-073-18531
MN Agricultural Statistics 1986	May 27, 1986	Agriculture	St. Paul	04-671-34778-7645
Prebill Envelope (w/permit)	May 27, 1986	Public Safety	St. Paul	07-700-38326-7666
Compaq Portable Computer & Accessories	May 27, 1986	Natural Resources—Field Services	Grand Rapids	29-002-12118
Electric Hoist	May 27, 1986	Public Services	St. Paul	80-300-03347
Used Self-Propelled Aerial Boom	May 27, 1986	Human Services Regional Treatment Center	Willmar	55-106-06223

## **Minnesota State Arts Board**

### **Request for Graphic Arts Services**

The Minnesota State Arts Board is requesting proposals for bids to provide a variety of graphic arts services beginning July 1986. The contract will cover such tasks as concept development, graphic design and layout, special typesetting, and illustration for a variety of the agency's publications. Respondents will be asked to provide a portfolio, staff qualifications, and a fee schedule that will be effective during the life of the contract. The successful respondent will be assigned tasks within the scope of the contract as needed by the agency. Total amount of the contract will not exceed \$15,000.

For more information contact:

Marjorie Casey  
Minnesota State Arts Board  
432 Summit Avenue  
Saint Paul, MN 55102  
612/297-4212

Proposals will be accepted until June 20th, 1986.

## **Department of Corrections, Community Services Division**

### **Requests for Proposals for Services for Battered Women and Child Abuse Victims**

Federal grants, funded by the Victims of Crime Act (VOCA) are available through the Department of Corrections.

Funds totalling \$271,000 will be awarded with an additional \$125,000 for programs that serve battered women, and \$125,000 for projects for child abuse victims.

## STATE CONTRACTS

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Also, through the federal Family Violence Prevention and Services Act, \$110,000 will be granted to battered women services.

The monies will be awarded for a nine-month period from October 1, 1986 to June 30, 1987. Only nonprofit corporations and public agencies are eligible to apply.

For application instructions for the battered women funds, contact Hazel Schram, Program for Battered Women, phone (612) 642-0251. For other funding areas contact Gail Wik, phone (612) 642-0202. The mailing address is Minnesota Department of Corrections, 300 Bigelow Building, 450 N. Syndicate St., St. Paul, MN 55104. An indication of which funds to be requested should be specified.

### **Department of Health, Health Resources Division, Emergency Medical Services Section**

#### **Request for Proposal for Funding of Special Emergency Medical Services Projects with Potential Statewide Significance**

The Minnesota Department of Health is requesting proposals from organizations or individuals for Emergency Medical Services (EMS) projects which can have potential statewide impact on Minnesota's EMS system. Funding for these projects totals \$173,333.00, available from July 1, 1986 until June 30, 1987. From the money available, the Department seeks to fund one proposal relating specifically to injury control and several proposals relating generally to improvements in the EMS system in Minnesota.

A. Injury Control—One contract not to exceed \$47,500. The successful applicant will complete research and other background work necessary for the Department to begin developing a comprehensive injury control program. Minimum tasks will include:

1. Literature review.
2. Catalog existing sources of Minnesota specific injury related data.
3. Assess the need for additional data.
4. Catalog existing Minnesota injury control programs and resources.
5. Design an injury surveillance system.

B. General EMS System Improvement—Several contracts to a total of \$125,833. In order to encourage submission of a number of proposals in this category, an upper limit of \$40,000 has been established for each contract. This would permit the funding of three \$40,000 contracts, six \$20,000 contracts, fifteen \$8,000 contracts, or any combination of contract award amounts that do not exceed the \$125,833 available for this category. This upper limit is not meant to discourage small scale contract proposals in the \$2,000 to \$8,000 range.

The successful applicant(s) will identify the improvements to be made in Emergency Medical Services, how the objectives of the proposed project will bring about those improvements, the tasks of the project that will bring about those objectives, and the evaluation measures which will be used to measure the results of the project. Additionally each applicant must address the potential statewide impact of the proposed project. The statewide impact of the project need not be immediate or comprehensive; the Department will consider, for example, small projects whose "portability" to other parts of the state could cumulatively result in statewide impact.

Applicants for funding must respond with proposals in the form of a proposal to enter into a contract with the Department of Health. THE FORM AND CONTENT REQUIREMENTS FOR PROPOSALS ARE AVAILABLE THROUGH THE DEPARTMENT OF HEALTH. IN ORDER FOR A PROPOSAL TO BE ELIGIBLE FOR FUNDING, APPLICANTS MUST APPLY ACCORDING TO THE TERMS OF THE REQUEST FOR PROPOSAL. COPIES OF THE REQUEST FOR PROPOSAL AND OTHER INFORMATION ARE AVAILABLE FROM:

Peter Carr, Chief  
Emergency Medical Services Section  
Minnesota Department of Health  
717 Delaware St. S.E.  
P.O. Box 9441  
Minneapolis, Minnesota 55440  
Phone #: (612) 623-5284

The deadline for proposals is June 20, 1986.

## **Minnesota Historical Society**

### **Request for Proposals for Photographer of Art Works**

The Minnesota Historical Society is seeking individuals and firms experienced in photographing art works to provide black and white negatives and prints of lithographs and etchings for use as collections documentation and publication in a Minnesota Historical Society Press book. It is anticipated that the total cost of this project will not exceed \$9,500.00.

These services, which will be provided under contract, are outlined in the Request for Proposal. The formal Request for Proposal may be requested from and inquiries directed to: Mark Schwartz, Contract Officer, 1500 Mississippi St., St. Paul, MN 55101, (612)296-8378. The deadline for submitting completed proposals is the close of the business day (5:00 p.m.) May 28, 1986.

## **Department of Human Services, Cambridge Regional Human Services Center**

### **Request for Proposal for Medical Services**

Notice is hereby given that Cambridge Regional Human Services Center, Dept. of Human Services is seeking the following services for the period July 1, 1986 through June 30, 1987. These services are to be performed as requested by the Administration of the Cambridge Regional Human Services Center.

This request for proposals does not obligate the state to complete the projects, and the state reserves the right to cancel the solicitation if it is considered to be in its best interest.

1. Services of a qualified child/adolescent fellow in psychiatry are sought to provide consultation in the use of antipsychotic medication, behavioral altering medication, and consultation in behavioral programming. This includes participation in team meetings, provision of input to team, and new evaluations, as requested by the Medical Director. Supervision of work will be provided. Estimated amount of this contract will not exceed \$12,000.00.

2. Services of board certified/board eligible psychiatrists are sought to provide psychiatric assessments, psychiatric treatment, attend medical staff meetings, participation in utilization review programs, appearances at special Review Board meetings, court hearings, inservice education, behavior modification Research Committee meetings or Human Rights Committee meetings, as directed by the Medical Director. Estimated amount of this contract will not exceed \$10,400.00.

Responses must be received by June 10, 1986.

Direct inquiries to:

Dorothy J. Johnson, Accounting Officer Supervisor  
Cambridge Regional Human Services Center  
Cambridge, MN 55008  
Phone: (612)689-2121 Ext. 206

## **Department of Human Services, Brainerd Regional Services Center**

### **Request for Proposal for Services for Child Psychiatrist**

Services of a Child Psychiatrist one (1) day per week for residents of that Part of the Minnesota Learning Center licensed under Rules 9545.0900 to 9545.1090. Duties to include assessments to determine organically involved impairments; diagnosis and treatment recommendations; evaluation of appropriateness of medications and prescribing appropriate medications; consultation in treatment of clients; monthly consultation to the interdisciplinary team; and individual appointments with designated clients.

The total cost of the contract is estimated not to exceed \$37,440.00.

Interested persons are to contact the following person by 11:00 a.m. June 9, 1986:

Leonard Fielding, M.D.  
Medical Director  
Brainerd Regional Human Services Center  
1777 Highway 18 E.  
Brainerd, MN 56401  
(218)828-2414

# STATE CONTRACTS

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## Department of Jobs & Training

### Request for Proposals for the Temporary Housing Program

The Minnesota Department of Jobs & Training seeks proposals from community action agencies, housing and redevelopment authorities and other public and private non-profit agencies for projects to be funded under the Temporary Housing Program. Jobs and Training has an appropriation of \$170,000 to make grants in this fiscal year.

Jobs and Training will accept proposals that initiate, maintain or expand programs which provide temporary housing and support services for the homeless. Applicants wishing application guidelines or further information regarding the program may contact Julie Ollig (guidelines) at 612/296-5756 or Mark Kaszynski (information) at 612/297-2590. An original and two copies of the completed application must be received no later than 4:30 p.m. on June 20, 1986.

Applications should be sent to:

Department of Jobs and Training  
Community Services Division  
690 American Center Building  
150 East Kellogg Boulevard  
St. Paul, MN. 55101  
ATTN: Beverly Gleeson

An announcement of awards is expected in July, 1986. This request for proposals is subject to all laws, rules and regulations promulgated by a federal, state and municipal authority having jurisdiction as the same and may be amended from time to time: All applications for this RFP are prepared at the sole risk, cost and expense of the applicant.

## Department of Public Service

### Request for Proposal for Investigation of Northwestern Bell Telephone Company

#### I. INTRODUCTION

The Minnesota Department of Public Service is soliciting proposals from qualified consultants to conduct an investigation of Northwestern Bell Telephone Company. The consultant will evaluate Northwestern Bell's capital budgeting process as well as recent plant investment and retirement activity in Minnesota.

#### II. QUALIFICATIONS OF RESPONDENTS

Qualified respondents must be able to demonstrate experience and expertise in evaluating accounting systems, telecommunications technology and regulatory aspects of the telecommunications industry. A background in accounting, finance, engineering or management is preferable. Respondents also must have experience presenting testimony in contested cases before one or more public utility commissions in the United States or Canada.

#### III. SCOPE OF THE PROJECT

##### A. Duration of the Project

The Department would like to initiate this project immediately. It is possible that the results of this project would be used as evidence in a contested hearing at a later date. Any expert testimony that would originate from this project would be due in late 1986 at the earliest. The Department would like the project to be completed within 4 months of its initiation. Any expert testimony that might be required after the project is completed would be arranged under a separate contract.

##### B. Tasks to be Performed

The Department's objective in this project is to have an independent expert evaluate the process used by Northwestern Bell to make plant investment decisions. This would encompass the replacement of existing plant as well as the introduction of new plant in development markets. To this end the consultant will be expected to perform the following tasks:

1. Investigate Northwestern Bell's management system so that the company's capital budgeting process is identified. This includes: (1) the development of a flow chart which identifies the authority and responsibility of each Northwestern Bell manager who would be involved in a typical investment decision; (2) identification of investment criteria used by the decision-makers; (3) documenting the record-keeping and forms used by Northwestern Bell management; and (4) thorough case studies of up to a dozen large investment projects made by the company in recent years.

2. Based on the results of this investigation, the consultant will be expected to provide an analysis of Northwestern Bell's

internal review of investment alternatives. In particular, a comparison must be made between Northwestern Bell's investment practices and those commonly used in regulated and nonregulated industries. This should include:

(1) considering investment alternatives; (2) measurement of costs and benefits; (3) speed of implementation; (4) allocation of costs and benefits among customers; (5) prudence of the decision made. If imprudent investments are identified, the consultant must estimate the financial cost of each decision.

3. Identify any additional information, records and procedures necessary to evaluate investment decisions with respect to a specific customer class (e.g., stand-alone treatment for residential telephone service).

4. Work closely with designated members of the Department staff in all stages of the project to assure compliance with the desires of the Department. The Department staff will assist the consultant, as necessary, in obtaining required information from Northwestern Bell and other sources. Also, the consultant will provide designated staff a progress report every two weeks throughout the duration of the project.

5. Provide a written report of the investigation and the consultant's analysis of Northwestern Bell's internal review process. This should include thorough documentation of the scope of the investigation as well as the analysis.

6. If the Department decides that the analysis indicates that Northwestern Bell's investment policies warrant a critical review in a contested hearing, the consultant will be expected to perform the following tasks as a member of the Department's staff participating in that proceeding:

a) Develop and prepare information requests which are necessary to fully discover and develop issues related to the company's capital budgeting process.

b) Assist Department counsel in the preparation of cross-examination of company and intervenor witnesses.

c) Develop and deliver direct, rebuttal and/or surrebuttal testimony on any issues relating to the company's capital budgeting or its investment review process.

d) Assist Department counsel in the preparation of briefs related to issues developed in testimony.

#### **IV. PROPOSAL CONTENTS**

The following will be considered minimum contents of the consultant's proposal.

A. An outline of the consultant's background and experience in conducting this type of analysis and testifying on these matters.

B. A restatement of the objectives and tasks of the project to illustrate the consultant's understanding of the proposal.

C. An identification of the consultant's personnel who will perform each task, their training and experience. No change in personnel assigned to this project will be permitted without approval of the Department's project manager. Assurance must be given that the personnel who conduct the project will be available under a separate contract to fulfill any requirements as an expert witness.

D. A detailed work plan which identifies in specific terms all the tasks to be performed with cost estimates for each.

E. Copies of recently delivered testimony or studies regarding the issues described above or similar issues.

#### **V. SUBMISSION OF PROPOSALS**

Responses to this request for proposal are due by June 6, 1986 and should be addressed to:

Dr. Nelson J. Updaw  
Minnesota Department of Public Service  
790 American Center Building  
160 East Kellogg Boulevard  
St. Paul, Minnesota 55101  
612/296-7130

Under MN Stat. 363-073, any proposal in excess of \$50,000 from a company who has had, during the past year, 20 or more full-time employees in Minnesota, must furnish a Certificate of Compliance from the Minnesota Department of Human Rights, or a notarized statement that the company has a Certificate of Compliance.

Late proposals will not be accepted. The proposal must be signed by an authorized member of the firm. Prices and terms of the proposal as stated must be valid for the length of the project. These should include work related to testifying in a proceeding held later. Prospective responders who have questions concerning this request for proposal may call Dr. Updaw.

# SUPREME COURT DECISIONS

## Decisions of the Supreme Court Filed Friday, May 9, 1986

Compiled by Wayne O. Tschimperle, Clerk

**C1-85-723 Keith J. Tuma, petitioner, Appellant v. Commissioner of Economic Security. Court of Appeals.**

Language "actually or constructively paid" in Minn. Stat. § 268.04, subd. 26(1984), includes wages earned by an employee during his base period but not paid to the employee until after his base period had ended. Appellant is therefore entitled to have his final paycheck of \$174 included as earned wage credits under Minn. Stat. § 268.071, subd. 3(3) (1984).

Reversed. Amdahl, C.J.

**C8-85-881 Norman Alvin Edstrom, petitioner, Appellant v. State of Minnesota, Orville Pung, Commissioner, Department of Corrections. Court of Appeals.**

District court properly refused to grant habeas corpus to prisoner challenging refusal of Commissioner of Corrections to parole him. Affirmed. Amdahl, C.J.

**CX-85-1319 State of Minnesota v. Donald L. Hodges, petitioner, Appellant. Court of Appeals.**

Under Minn. Stat. § 609.04 (1984), the burglarious entry of one dwelling justifies only one burglary conviction; however, if the burglar commits other crimes, such as assault or robbery, against the occupants of the dwelling after entry, he may be additionally punished on the basis of one extra conviction and sentence per victim of the other crimes.

Affirmed as modified. Amdahl, C.J.

Took no part, Wahl, J.

**C7-85-2167 Donald L. Owens v. Pako Corporation and Travelers Insurance Company, Relators, Minnesota Department of Human Services, intervenor, Minnesota Department of Economic Security, intervenor. Workers' Compensation Court of Appeals.**

There was substantial support in the evidence for the award of compensation for temporary disability except for the period following October 15, 1984, in which employee was temporarily totally disabled because of surgery which was not proved to have been secondary to the injury he sustained in the course of his employment of February 21, 1978.

The finding of the compensation judge concerning employee's earning capacity on and after January 1, 1984, is not supported by the evidence. The Workers' Compensation Court of Appeals' determination that his earning capacity was reflected by his actual earnings between January 1, 1984, and April 30, 1984, has substantial support in the evidence.

Affirmed subject to modifications as directed herein. Amdahl, C.J.

**C2-85-553 North Star Mutual Insurance Company, petitioner, Appellant v. David M. Ziebarth, and Michelle M. Ziebarth. Court of Appeals.**

A provision of an insurance policy providing for the passage of coverage to a personal representative or other person having proper, temporary custody of the covered property was not triggered when the spouse of the deceased named insured continued to live in the house covered by the homeowner's policy and had custody of the covered property.

Reversed. Scott, J.

Dissenting, Yetka, J.

**C1-84-436 Judie C. Florenzano, individually and as parent and natural guardian of Ashle E. Florenzano and Zachary B. Florenzano v. Frederick Olson and Bankers Life Company, petitioner, Appellants. Court of Appeals.**

On the facts of this case, the only basis for liability was negligent misrepresentation.

The principles of comparative responsibility apply to negligent misrepresentation; the trial court properly applied those principles in this case.

Reversed. Wahl, J.

Concurring specially, Simonett, J.

**C9-84-1138 Renja Sigurdson, petitioner, Appellant v. Isanti County, et al. Court of Appeals.**

A trial court in making its findings of fact and conclusions of law in actions brought under the Minnesota Human Rights Act for discriminatory and disparate treatment in employment practices must explicitly utilize the three-part **McDonnell Douglas** analysis consisting of a prima facie case, an answer, and a rebuttal.

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## SUPREME COURT DECISIONS

A trial court may, in its discretion, award attorney fees to a prevailing defendant, pursuant to Minn. Stat. § 363.14, subd. 3 (1984), only upon a finding that the plaintiff's action was frivolous, unreasonable, or without foundation, or was brought in bad faith.

Affirmed in part, reversed in part, and remanded. Wahl, J.

Concurring in part and dissenting in part, Yetka, J.

Took no part, Kelley, J.

**C6-85-278, C0-85-289, C3-85-304 In the Matter of the Application of Northwestern Bell Telephone Company, Minneapolis, Minnesota, for Authority to change its Schedule of Telephone Rates for Customers within the State of Minnesota. Court of Appeals.**

Establishing criteria to implement a statutory test for reimbursement of intervenor costs in utility rate cases is a matter of agency discretion, and this court, on review, is limited to determining if the criteria are reasonable and further the purpose of the statute.

The denial of reimbursement by the Public Utilities Commission to two intervenors was not arbitrary or capricious; as to the third intervenor, the request for reimbursement is remanded for reconsideration.

Affirmed in part and reversed in part. Simonett, J.

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*Banking Laws Supplement 1985*. Department of Commerce. Statutes governing banks, savings banks, trust companies and other financial institutions. Looseleaf. Code #2-76s1. \$5.00.

#### RELATED PUBLICATIONS:

*Aeronautical Chart, 1983*. Map of Minnesota (folded 7½" × 10¾"; open 31" × 25") showing all airports in the state. Airport data includes radio facilities. Code #1-10. \$2.00.

*Pilot's Handbook of Aeronautical Knowledge, 1980*, U.S. Department of Aeronautics. Essential pilot training. How to use (a) flight information publications; (b) the Aircraft Flight Manual and Pilot's Operation Handbook. Paperback. 257 pp. Code #16-28. \$10.00.

*Banking Laws and Related Statutes, 1984*. Department of Commerce. Complete basic text of state law. Looseleaf. Code #2-76. \$26.00.

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